

# SYSTEMS AND METHODS FOR PERFORMING TWO-WAY ONE-TO-MANY AND MANY-TO-MANY AUCTIONS FOR FINANCIAL INSTRUMENTS

## ABSTRACT OF THE DISCLOSURE

5           A switch engine module receive interest rate risk portfolios from a plurality of traders,  
and for each prospective trader, provides available switches based on positions in other  
counterparty portfolios that offset the viewing traders' positions. The offsetting positions are  
encoded with credit preference information in order to identify eligible trades based on both  
counterparties credit preferences. In particular, an embodiment provides for a switch auction  
10       whereby users can use an auction process to trade for forward rate agreement switches with other  
counterparties, for example, in a two-way or many-to-many auction. In the switch auction, the  
price is predetermined by the system prior to the auction so that parties can opt out of the  
transaction if desired. The credit preferences of the participating traders are taken in  
consideration in making matches.

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